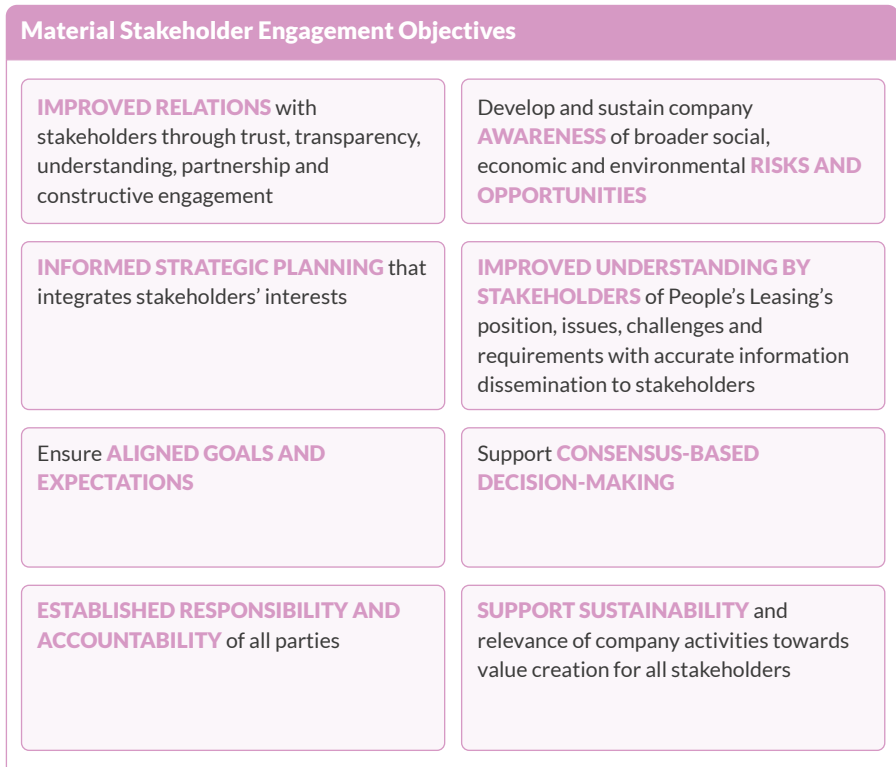


STAKEHOLDER ENGAGEMENT

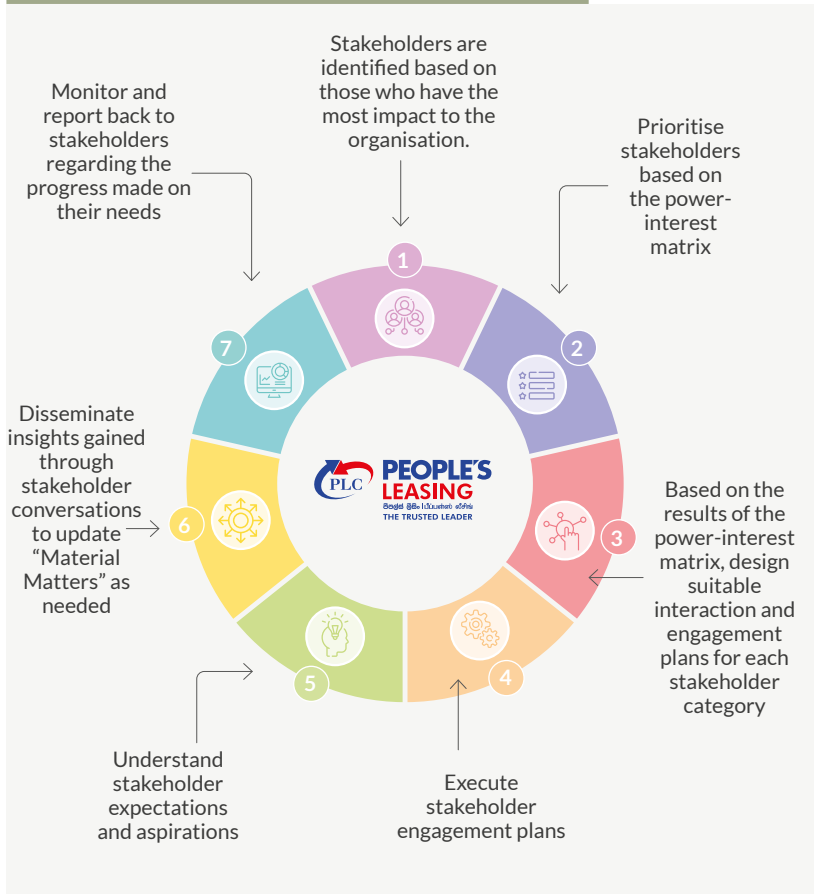
GRI 2-29

People’s Leasing & Finance PLC recognises that its stakeholders are one of the most valuable assets and that good stakeholder relations is critical for optimal operations. As such, the Company strives to continually improve relations with all material stakeholders to understand their perceptions and to gain insights on future trends, possible risks in order to determine material matters and areas for strategic development.

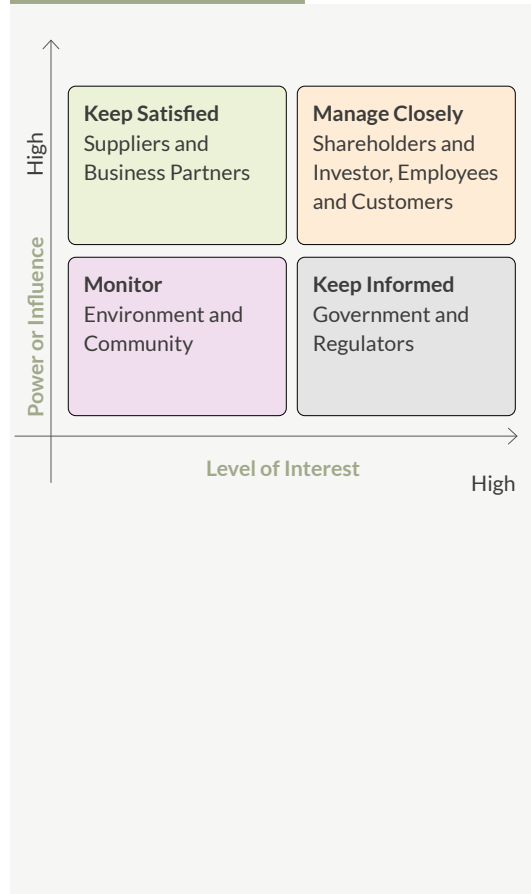
The Board, as the apex body responsible for stakeholder engagement, has established a formal stakeholder engagement process to facilitate structured and constructive engagements as appropriate to various stakeholder categories.



The Seven-stage Stakeholder Engagement Process



Power / Interest Matrix



Shareholders and Investor

We manage our business to provide retail shareholders, institutional investors, bondholders, financial analysts and rating agencies' returns that correspond to the risk undertaken.

Importance to People's Leasing

Critical to support the business growth through the provision of capital.

Responsible Authority Driving Engagement

Company Secretary

Quality of the relationship

Positive

Impacted Capitals



SDG



Risks

Equity risk

Engagement Channels

- » Annual Reports
- » AGM
- » Interim Financial Statements
- » Disclosure and announcement to the CSE
- » Proactively and directly engage investors
- » Participation in various investor conferences

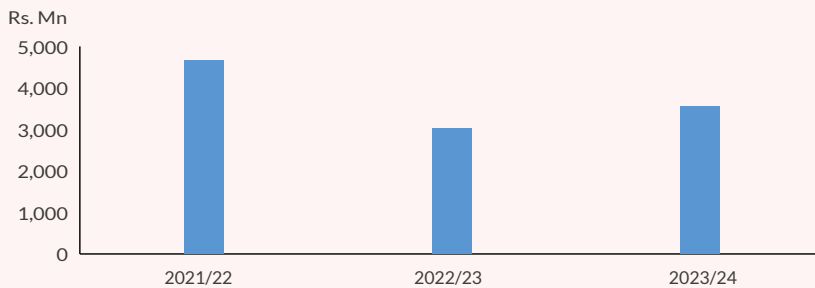
Value Creation Commitments

- » Responsible and balanced business conduct and sound ESG practices
- » Consistent bottom line
- » Satisfactory shareholder returns
- » Timely disclosure of price sensitive information
- » Transparency
- » Succession plan with sustained growth strategy

- » Robust risk management system
- » Board effectiveness

Outcomes

Profit After Tax



Dividend per share (Rs.)

2021/22	1.25
2022/23	0.50
2023/24	1.40

Key issues during the year

Consistent Returns regardless of varying economic cycles.

Organisational resilience to safeguard business continuity in turbulent times.

Consistent financial results enabling incremental growth in dividend yield for shareholders.

Expectation of greater clarity regarding performance and prospects, especially in times of uncertainty

Response

Declared and paid dividend of Rs. 2,858.64 million for financial year 2023/24.

PLCCORE System implementation to strengthen the credit evaluation process. Prudent management of liquidity position.

Strategic reorientation of business fundamentals in response to market influences, while pursuing diversification opportunities to relive margin pressure in tough times.

Adherence to all regulatory disclosure requirements for listed entities and NBFIs, including annual returns, publication of quarterly results, Annual report, shareholder information and Board changes.

STAKEHOLDER ENGAGEMENT

Customers

Individual customers and corporate clients who are key to driving business growth.

Importance to People's Leasing

Integral to the growth and development of the Company and maintaining business sustainability

Responsible Authorities Driving Engagement

Heads of Touch-points
Business Unit Heads
Marketing Department

Quality of the relationship

Positive

Impacted Capitals



SDG



Risks

Reputation risk

Engagement Channels

- » Print, electronic and social media
- » Written communication
- » Call Centre
- » Branch network
- » Tech-based platforms
- » Customer visits

- » Day -to-day business interactions
- » CSR initiatives
- » One to one dialogue
- » Client complaints

Value Creation Commitments

- » Innovative financial solutions and services
- » Ability to facilitate the client's preferred platform
- » Accessibility and convenience
- » Safe and secure transactions with transparent pricing
- » Clear and straightforward product information and ability to obtain the advice
- » Service efficiency
- » Empathetic and friendly service

Outcomes

Types of Customers



Deposit Customers
308,051 (2022/23 - 383,715)

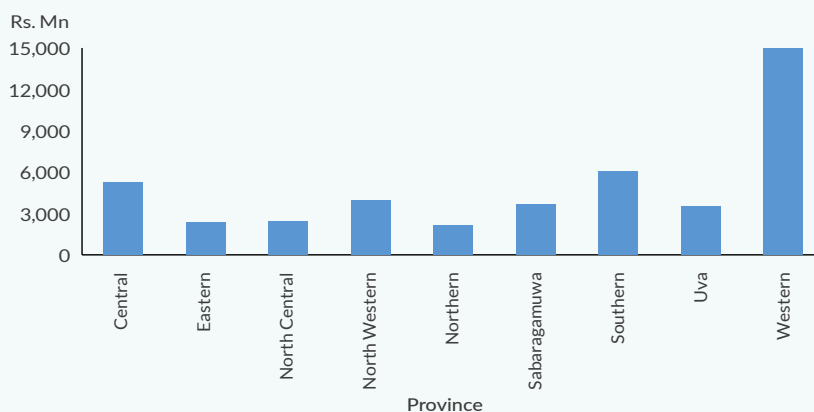
New Customers
63.13%



Lending Customers
104,865 (2022/23 - 114,246)

Repeat Customers
36.87%

Province wise Granting



Province	Rs. Mn
Central	5,269
Eastern	2,332
North Central	2,447
North Western	3,948
Northern	2,105
Sabaragamuwa	3,656
Southern	6,085
Uva	3,492
Western	14,961

Key issues during the year

- Demand for tailor-made financial solutions for different customer segments.
- Customer need to proactively engage with the Company.
- Data privacy concerns arising as a result of increased use of digital channels.
- Growing demand for easily accessible, convenient and affordable access to formal financial channels.

Response

- Launch of "Classique by PLC" for high net-worth customers. Expand gold loan operations.
- Established Customer Service and Dispute Resolution Department.
- Implemented the Personal Data Protection policy.
- Aggressive campaign to promote Branches offering gold loan products increased to 104.

Employees and Unions

Our team of 2,052 individuals are key to driving our performance

Importance to People's Leasing
Provide the knowledge, skills and experience required for to drive the business forward

Responsible Authority Driving Engagement
HR Department

Quality of the relationship
Stable

Impacted Capitals



SDG

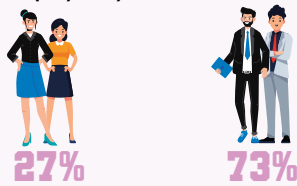


Risks	Engagement Channels	Operational guidelines and policies	Value Creation Commitments
Human Resource risk	<ul style="list-style-type: none"> » Management Committee Meetings » Strategic planning sessions » Social media groups and corporate communications » Technology driven platforms » People's Leasing Employee Union 	<ul style="list-style-type: none"> » Employee grievance handling » Health and safety committees » Care and growth programmes » Social events organised by the Company 	<ul style="list-style-type: none"> » Business continuity and sustainable growth » Fair remuneration and benefits including health and safety » Effective performance management and recognition » Job security » A safe and inclusive work environment supported by opportunities for career progression » Staff up skilling » Migration to automated workflows, flexible hours, and workspaces » Confidentiality and open-door policy

Outcomes

Employee Diversity

Total Employee by Gender



GRI 403-9, 403-10

Employee Health and Safety

Detail/Year	2023/24
Road accidents during work hours	No
Lost days recorded due to these accidents	No

Total Cumulative Experience Years of the Employees
17,990 Years

Province wise Employee Distribution



Key issues during the year

Financial security and concern about job prospects, especially during periods of economic uncertainty.

Employee expectation of a safe workplace free of harassment and discrimination.

Quick and effective resolution to grievances.

Response

Reviewed and updated salary structures for all employee categories in the current year.

People's Leasing is an equal opportunity employer and does not tolerate any form of harassment or discrimination at any stage of the employment lifecycle. Strict policies are in place to enforce these practices, while appropriate disciplinary action is taken against those who violate these policies.

A grievance handling process is in place for employees to formally intimate any issues with all grievances are treated seriously and investigated immediately through an impartial review to ensure a fair and equitable resolution within the stipulated timeline.

STAKEHOLDER ENGAGEMENT

Government and Regulators

We maintain good relationships with the Government and related regulators including the CBSL, CSE, SEC and National and International bodies and association.

Importance to People's Leasing

Ensure the Company operates within a framework of legal and ethical standards, maintains financial stability and fosters market confidence.

Responsible Authorities Driving Engagement

Compliance Department
Company Secretary
Finance Department

Quality of the relationship

Positive

Impacted Capitals



SDG



Risks	Engagement Channels	Value Creation Commitments
Regulatory Risk	<ul style="list-style-type: none"> » On site review by the CBSL » Dialogue with the policymakers and regulators » Directives and circulars » Review meetings » Compliance reports » Off-site review by the CBSL 	<ul style="list-style-type: none"> » Business continuity » Compliance with rules and regulations » Prompt responsiveness towards regulatory amendments » Collaborate with the regulator to revive the NBFIs sector

- » Sound contribution and active collaboration with industry peers
- » Contribution towards national priorities
- » Fair treatment to customers

Outcomes

Regulation / Code	Adoption	Adherence
The Companies Act No.7 of 2007 (Companies Act)	Mandatory	Full Compliant
Listing Rules of the Colombo Stock Exchange (CSE)	Mandatory	Full Compliant
Central Bank of Sri Lanka (CBSL), Finance Companies (Corporate Governance) Direction No. 05 of 2021	Mandatory	Full Compliant
Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	Voluntary	Full Compliant

Key issues during the year	Response
Timely payment of all applicable taxes	The Company paid all taxes on time, valued Rs. 3,845.21 million for the FY 2023/24.
Compliance with all applicable regulatory requirements, including new directives	<ul style="list-style-type: none"> » Early adoption of regulations, Corporate Governance Rules issued by the CSE for listed entities. » ZERO tolerance policy for non-compliance of regulations.
Voluntary adoption of best practices	Established the Sustainability Steering Committee to oversee the implementation of the Guidelines on Sustainable Finance Activities for NBFIs.

The Environment and Community

We nurture healthy relationships with the communities around us and the broader society across the country.

Importance to People's Leasing

Holds the Company accountable as a responsible corporate citizen.

Responsible Authority Driving Engagement

Sustainable Finance Department

Quality of the relationship

Stable

Impacted Capitals



SDG



Engagement Channels

- » Outreach CSR initiatives
- » Carbon footprint data tracking exercise
- » Dialogue with institutions, community leaders and community
- » Sponsorships

Value Creation Commitments

- » Advancement of SDGs and targets
- » Adhering to national development plans
- » Community empowerment and capacity building
- » Response to climate change
- » Minimum direct environmental impact from business operations
- » Timely and relevant information on products and services offered
- » Local enterprise development/ procurement opportunities

Outcomes

Investment on community outreach CSR (Rs.Mn)		Investment on Environmental Conservation (Rs.Mn)	
2021/22	27.53	2021/22	1.87
2022/23	5.57	2022/23	1.01
2023/24	0.71	2023/24	1.98

Key issues during the year

Community projects that currently ongoing under present socio economic conditions.

Long term commitment to climate action.

Response

Invested Rs. 0.71 million in community upliftment initiatives.

- » Launch of the solar financing scheme targeting retail and MSME customer segments.
- » Independently verified GHG Emission Report in line with ISO 14064-1.
- » EDGE-Green Building Certification for the Classique Centre.

Suppliers and Business Partners

Maintaining sustainable relationship with banks and other financial intermediaries including brokers, agents and suppliers.

Importance to People's Leasing

Suppliers play an important role supporting business continuity and resilience.

Responsible Authority Driving Engagement

Administration/ Logistics Department

Quality of the relationship

Positive

Impacted Capitals



SDG



Risks

Operational risk

Engagement Channels

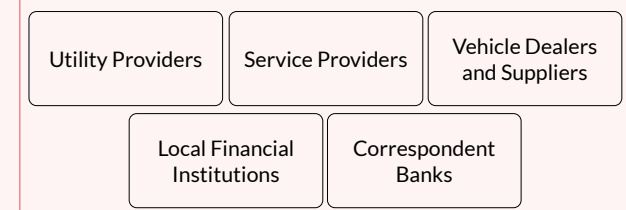
- » Direct dialogue
- » Supplier appraisals
- » Supplier registration
- » Field visits
- » MOU's
- » Service agreements
- » Contractors are inducted as new suppliers and are in line with the Company's values, guidelines, code of conduct and laws

Value Creation Commitments

- » Responsible procurement with timely settlement
- » Competitive pricing and bidding procedure
- » Fair dealing and transparency
- » Business opportunities for SME's
- » Prompt response
- » Locally preferred purchasing

Outcomes

Our Business Partners



Total vehicle suppliers (No.)

2021/22	40,118
2022/23	10,242
2023/24	26,224

Key issues during the year

Opportunities for new suppliers.

Improving suppliers' alignment with social and environmental issues.

Response

25 were on-boarded to the Company's supplier registry.

Introduction of a ESG due diligence check-list for all new suppliers.